

IN THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE

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REVIEW OF NASHVILLE GAS )  
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T.R.A. DOCKET ROOM

DOCKET NO. 05-00165

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**SECOND SET OF DISCOVERY REQUESTS TO NASHVILLE GAS COMPANY  
BY THE CONSUMER ADVOCATE AND PROTECTION DIVISION**

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To: Nashville Gas Company  
c/o James H Jeffries IV, Esq.  
Moore & Van Allen  
100 North Tryon Street, Suite 4700  
Charlotte, North Carolina 28202-4003

c/o R. Dale Grimes, Esq.  
Bass, Berry & Sims, PLC  
2700 First American Center  
Nashville, Tennessee 37238-2700

This Second Set of Discovery Requests is hereby served upon Nashville Gas Company, a Division of Piedmont Natural Gas Company, Inc. ("Nashville Gas", "Piedmont" or "Company"), pursuant to Rules 26, 33 and 34 of the Tennessee Rules of Civil Procedure and Tenn. Comp. R. & Reg 1220-1-2-.11. We request that full and complete responses be provided pursuant to the Tennessee Rules of Civil Procedure. The responses are to be produced at the Office of the Tennessee Attorney General and Reporter, Consumer Advocate and Protection Division, 425 Fifth Avenue North, Nashville, Tennessee 37243, c/o Joe Shirley or Steve Butler, on or before January 20, 2006.

## **PRELIMINARY MATTERS AND DEFINITIONS**

Each discovery request calls for all knowledge, information and material available to Nashville Gas, as a party, whether it be Nashville Gas', in particular, or knowledge, information or material possessed or available to Nashville Gas' attorney or other representative.

These discovery requests are to be considered continuing in nature, and are to be supplemented from time to time as information is received by Nashville Gas which would make a prior response inaccurate, incomplete, or incorrect. In addition, the Attorney General requests that Nashville Gas supplement responses hereto with respect to any question directly addressed to the identity and location of persons having knowledge of discoverable matters, and the identity of each person expected to be called as an expert at hearing, the subject matter on which the expert is expected to testify, and the substance of the expert's testimony

These discovery requests are to be interpreted broadly to fulfill the benefit of full discovery. The singular of any discovery request includes the plural and the plural includes the singular. To assist you in providing full and complete discovery, the Attorney General provides the following definitional guidelines.

The terms "and" and "or" shall be construed conjunctively or disjunctively as necessary to include any information that might otherwise be construed outside the scope of these requests.

The term "communication" means any transmission of information by oral, graphic, pictorial or otherwise perceptible means, including but not limited to personal conversations, telephone conversations, letters, memoranda, telegrams, electronic mail, newsletters, recorded or handwritten messages, or otherwise.

For purposes of these discovery requests, the term “you” shall mean and include:  
Nashville Gas Company, Piedmont Natural Gas Company, Inc. and all employees, agents and representatives thereof.

The term “person” or “persons” as used herein refers to any natural person, corporation, firm, company, sole proprietorship, partnership, business, unincorporated association, or other entity of any sort whatsoever. Where a company or organization is the party being served, all responses must include the company’s response. Moreover, the company’s designated person for responding must assure that the company provides complete answers. *A complete answer must provide a response which includes all matters known or reasonably available to the company.*

The term “identity” and “identify” as used herein, with respect to any person, means to provide their name, date of birth, current residence address, current residence telephone number, current business address, current business telephone number, and the occupation or job title of that person; with respect to an entity, those terms mean to provide the name by which said entity is commonly known, the current address of its principal place of business, and the nature of business currently conducted by that entity; with respect to any document, those terms mean to provide the date of the document, the nature of the document, the title of the document, the reference number (if any) of the document, and the current location of the document, including the identity of the person or entity in possession of the document.

The term “document” as used herein, means any medium upon which intelligence or information can be recorded or retrieved, such as any written, printed, typed, drawn, filmed, taped, or recorded medium in any manner, however produced or reproduced, including but not limited to any writing, drawing, graph, chart, form, photograph, tape recording, computer disk or

record, or other data compilation in any form without limitation. Produce the original and each copy, regardless of origin or location, of any book, pamphlet, periodical, letter, note, report, memorandum (including memoranda, note or report of a meeting or conversation), spreadsheet, photograph, videotape, audio tape, computer disk, e-mail, or any other written, typed, reported, transcribed, punched, taped, filmed, or graphic matter, however produced or reproduced, which is in your possession, custody or control or which was, but is no longer, in your possession, custody, or control. If any such document or thing was, but no longer is, in your possession or control, state what disposition was made of it and when. If a document exists in different versions, including any dissimilar copies (such as a duplicate with handwritten notes on one copy), each version shall be treated as a different document and each must be identified and produced.

If you produce documents in response to these discovery requests, produce the original of each document or, in the alternative, produce a copy of each document and identify the location of the original document. If the “original” document is itself a copy, that copy should be produced as the original.

If any objections are raised on the basis of privilege or immunity, include in your response a complete explanation concerning the privilege asserted.

If you contend that you are entitled to refuse to fully answer any of this discovery, state the exact legal basis for each such refusal.

If any of the interrogatories are not answered on the basis of privilege or immunity, include in your response to each such interrogatory a written statement evidencing:

- (a) the nature of the communication;

- (b) the date of the communication;
- (c) the identity of the persons present at such communication; and
- (d) a brief description of the communication sufficient to allow the Authority to rule on a motion to compel.

If, for any reason, you are unable to answer a discovery request fully, submit as much information as is available and explain why your answer is incomplete. If precise information cannot be supplied, submit 1) your best estimate, so identified, and your basis for the estimate and 2) such information available to you as comes closest to providing the information requested. If you have reason to believe that other sources of more complete and accurate information exist, identify those sources.

If any information requested is not furnished as requested, state where and how the information may be obtained or extracted, the person or persons having knowledge of the procedure and the person instructing that the information be excluded.

## **SECOND SET OF DISCOVERY REQUESTS INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS**

### **DISCOVERY REQUEST NO. 1:**

In response to Discovery Request No. 6 of the Consumer Advocate's First Set of Discovery Requests, Piedmont stated that it would use "the values bid to help determine the winning bidder." Identify all other criteria, if any, besides "values bid" that Nashville Gas uses to determine the winning bidder.

RESPONSE:

## **DISCOVERY REQUEST NO. 2**

Has Nashville Gas Company ever rejected the highest bidder as the winning bid in the RFP process that is used to select an asset manager? If so, identify the name of the highest bidder, the date and amount of the highest bid, and all reasons why Nashville Gas did not select the highest bidder as the winning bid for its asset manager.

RESPONSE:

## **DISCOVERY REQUEST NO. 3**

In response to Discovery Request No. 10 of the Consumer Advocate's First Set of Discovery Requests, Nashville Gas Company stated that "[o]ther reasons justifying the inclusions of the asset management fees are set forth in the proceedings in which the asset management fees were approved." Please identify all proceedings in which Nashville Gas contends that the asset management fees were approved, including, but not limited to, the particular documents from such proceedings that demonstrate the approval of asset management fees.

RESPONSE:

## **DISCOVERY REQUEST NO. 4**

In response to Discovery Request No. 10 of the Consumer Advocate's First Set of Discovery Requests, Nashville Gas Company stated that "[o]ther reasons justifying the inclusions of the asset management fees are set forth in the proceedings in which the asset management fees were approved." Please identify all orders entered by the Tennessee Public Service Commission and/or the Tennessee Regulatory Authority, including the particular language contained therein,

that approve asset management fees for inclusion in the performance incentive plan.

RESPONSE:

**DISCOVERY REQUEST NO. 5**

In response to Discovery Request No. 13 of the Consumer Advocate's First Set of Discovery Requests, Nashville Gas Company stated that "[t]here is also an additional level of risk to the Company associated with the Asset Manager's level of performance." Please identify and explain the additional level of risk to the Company associated with the Asset Manager's level of performance.

RESPONSE:

**DISCOVERY REQUEST NO. 6**

Without referencing or discussing the risks of monetary loss associated with commodity side transactions under the performance incentive plan, please identify and explain each risk of monetary loss borne by Nashville Gas Company, if any, that is associated solely with capacity release transactions between Nashville Gas Company and its asset manager.

RESPONSE:

**DISCOVERY REQUEST NO. 7**

In response to Discovery Request No. 17 of the Consumer Advocate's First Set of Discovery Requests, Nashville Gas Company identified total amounts expended for "Area Code 3400" for the twelve months ended June 30, 2003, June 30, 2004, and June 30, 2005. Please

identify specifically the amount of money expended by Nashville Gas Company for salaries and other expenses that is attributable solely to implementing, managing and monitoring the capacity management portion of the performance incentive plan for these plan years. Please exclude all expenses attributable to the commodity side of the performance incentive plan or any other unrelated activity. If the totals expended for Area Code 3400 include amounts that are not attributable solely to the capacity management portion of the performance incentive plan, please exclude such amounts from your response.

RESPONSE:

**DISCOVERY REQUEST NO. 8**

Identify the source and/or reporting entity of the “monthly index price” and the “daily index price” referenced in Nashville Gas Company’s response to Discovery Request No. 22 of the Consumer Advocate’s First Set of Discovery Requests. Explain how the “monthly index price” and the “daily index price” are calculated for a supply location.

RESPONSE:

**DISCOVERY REQUEST NO. 9**

Are the “monthly price index” and the “daily price index” referenced in Nashville Gas Company’s response to Discovery Request No. 22 of the Consumer Advocate’s First Set of Discovery Requests the same as the indices reported in Nashville Gas Company’s performance incentive plan? If not, explain any differences.

RESPONSE:



### **DISCOVERY REQUEST NO. 10**

In response to Discovery Request No. 15 of the Consumer Advocate's First Set of Discovery Requests, Nashville Gas Company identified Merrill Lynch as its asset manager for the period November 2004 through October 2005; however, in response to Discovery Request No. 12 of the Consumer Advocate's First Set of Discovery Requests, Nashville Gas Company does not identify Merrill Lynch as a company that submitted a bid for this period. Please answer the following:

- (a) Why was Merrill Lynch not identified as a bidder for this period?
- (b) Did Merrill Lynch submit a bid for this period? If so, how much was the bid?
- (c) Identify and explain all factors that Nashville Gas Company considered for selecting Merrill Lynch as its asset manager for this period.
- (d) How much did Nashville Gas Company receive from Merrill Lynch for this period?

RESPONSE:

### **DISCOVERY REQUEST NO. 11**

In response to Discovery Request No. 16 of the Consumer Advocate's First Set of Discovery Requests, Nashville Gas Company identified Sarah Stabley, Scott Searcy, Jim Jessee, and Keith Maust as devoting part of their time to implementing, managing and monitoring capacity management as part of the incentive plan for the plan year that ended June 30, 2005.

For each of these four individuals, please identify the following:

- (a) The total salary, benefits, and other compensation paid by Nashville Gas Company to the individual during the plan year that ended June 30, 2005;

- (b) The specific activities that the individual performed in implementing, managing and monitoring capacity management as part of the incentive plan for the plan year that ended June 30, 2005; and
- (c) The percentage of time that the individual spent on implementing, managing and monitoring capacity management as part of the incentive plan for the plan year that ended June 30, 2005.

RESPONSE:

**DISCOVERY REQUEST NO. 12**

Please refer to Nashville Gas Company's response to Interrogatory No. 2 of Audit Staff

First Discovery Requests and answer the following:

- (a) How much of the total supply available to Nashville Gas was actually used by Nashville Gas for the periods indicated in the response?
- (b) On the peak day of each year, how much capacity was not used by Nashville Gas Company?
- (c) If the actual demand on the peak day were adjusted for projected needs on the peak day assuming "design day" temperatures were reached, what would the actual peak day needs have been?

Provide all calculations and assumptions used in these calculations.

RESPONSE:

**DISCOVERY REQUEST NO. 13**

Please refer to Nashville Gas Company's response to Interrogatory No. 1 of Audit Staff

First Discovery Requests and answer the following:

- (a) Did Nashville Gas consider alternative suppliers to provide the total supply to meet the projected total demand requirements for each of the years covered in the response? Please explain your answer.

- (b) Were more peaking supplies considered to replace some of the firm supplies? Please explain your answer.
- (c) What alternatives were considered for meeting the projected load requirements of Nashville Gas? Please explain your answer.

RESPONSE:

**DISCOVERY REQUEST NO. 14**

In Piedmont's SEC Form 10-K405 filed January 26, 1998 for the fiscal year ending October 31, 1998, Piedmont stated:

In May 1996, the TRA approved a two-year experimental performance incentive plan effective July 1, 1996. The plan eliminates annual prudence reviews and establishes an incentive sharing mechanism based on differences in the actual cost of gas purchased and benchmark rates, together with income from marketing transportation and storage capacity in the secondary market, subject to an overall annual cap of \$1,600,000 on gains or losses by the Company. Secondary market transactions include sales for resale, off-system sales, capacity release and other interstate transactions designed to reduce fixed gas costs during off-peak periods.

In TRA Docket No. 03-00313 Piedmont's witness Chuck Fleenor testified (direct) at page 5, line 17 to page 6, line 5:

Nashville gas must pay a demand charge to reserve the right to purchase and transport gas, when the gas is needed by our customers. We generally pay this charge under our primary firm transportation contracts 365 days a year whether or not the gas is required year around to serve our core customers . . rates for firm customers should reflect the fact that such customers have a "first call" on our gas and that we pay a demand charge to our capacity suppliers and incur other fixed expenses to ensure that sufficient volumes of gas will be available when needed ... it is of benefit to all our ratepayers to increase utilization of the system and its capacities on a year round basis.

In TRA Docket No. 03-00313 Piedmont's witness David Carpenter testified (direct) at page 4, lines 3-5:

Exhibit (DRC-2) compares billing determinants by rate class used in this case with those filed in our last rate case. The conclusion reached from this comparison is that the usage per customer is declining in every market sector.

Piedmont's witness David Carpenter also testified (direct) from page 5 line 22 to page 6 line 7:

Q. What can Nashville Gas do to properly react to this trend?

A. Since the majority of our revenue is recovered through volumetric charges, it is obvious that declining usage trends place increased pressure on us to file for rate relief more frequently than would be necessary if this decline in usage was not occurring. In order to decrease the vulnerability of our earnings, to properly assign costs to causation, and to diminish the pressure for repeated rate cases, we are requesting that a greater portion of our revenue be recovered through fixed monthly charges, which are not subject to usage-based variations.

In FERC Docket Nos. RM98-10-000 & RM98-12-000, Order No. 637, Regulation of Short-Term Natural Gas Transportation Services, and Regulation of Interstate Natural Gas Transportation Services, issued February 9, 2000, at page 94 FERC stated:

**Peak And Off-Peak Rates**

Use of peak/off-peak, or seasonal, rates for pipeline services could improve efficiency in the market place by better accommodating regulation to seasonal demand for capacity, and at the same time could benefit long-term captive customers. Therefore, as discussed below, the Commission will permit pipelines to institute peak/off-peak rates for all short-term services, i.e., short-term firm and interruptible service and multi-year seasonal contracts, as one possible method of promoting allocative efficiency that is consistent with the goal of protecting customers from monopoly power.

In light of Mr. Carpenter's testimony that "usage per customer is declining in every market sector" in Nashville; Mr. Fleenor's testimony that "We generally pay this charge under our primary firm transportation contracts 365 days a year whether or not the gas is required year around;" Piedmont's statement in its SEC filing that "capacity release is ... designed to reduce

fixed gas costs during off-peak periods;” and FERC’s approval of on-peak short-term firm capacity sales by pipelines; please respond to the following:

- (a) Explain why Piedmont increased its supply of off-peak firm capacity by nearly 30 percent from the plan year 1998-1999 to the plan year 2004-2005 while at the same time reducing its peak-only capacity by nearly 6 percent from the plan year 1998-1999 to the plan year 2004-2005 (refer to Piedmont’s response to the Audit Staff’s Interrogatory No. 1).
- (b) According to a Tennessee Gas Pipeline’s Order No. 637 Compliance Tariff Filing of Sept 8, 2004 with FERC, Piedmont entered in a long-term discounted contract for 74,100 Dth effective from Nov.1 2004 to Oct 31, 2014. In light of the conditions described above, did Piedmont consider contracting for a smaller amount of long-term capacity and increasing short-term firm peaking capacity to meet Nashville’s demand in the peak period? Please explain your answer.
- (c) Do capacity release transactions occur during off-peak periods? Please explain your answer.
- (d) If gas usage per customer declines in every market sector in Nashville, does increasing the amount of off-peak firm capacity also increase, on a per customer basis, the amount of capacity available for capacity-release by Piedmont or its asset manager in off-peak periods? Please explain your answer.
- (e) Can Piedmont properly react to the trend of declining usage per customer in Nashville by reducing the amount of off-peak firm capacity that Piedmont contracts for Nashville? Please explain your answer.
- (f) Can Piedmont decrease the vulnerability of its earnings in Nashville by reducing the amount of off-peak firm capacity that Piedmont contracts for Nashville? Please explain your answer
- (g) Does Piedmont have any records, correspondence, studies, or reports which indicate or prove that Piedmont intends or has ever intended to reduce the amount of off-peak firm capacity contracted for Nashville? If so, please produce a copy of any such documents.
- (h) Does Piedmont consider its off-peak capacity, when it is not needed to serve its customers in Nashville, as capacity that is available for capacity release transactions in the interstate natural gas transportation market? Please explain your answer.

### **DISCOVERY REQUEST NO. 15**

In FERC's Order No. 637, FERC stated that the use of released capacity made possible the development of "virtual pipelines" that can be created when a marketer or other shipper acquires capacity on interconnecting pipelines and can schedule gas supplies across the interconnect -- thereby creating, in effect, a new pipeline between receipt and delivery points that are not physically connected under a single pipeline management. See Order No. 637 Final Rule at p. 18 issued on February 9, 2000 in FERC Docket Nos. RM98-10-000 (Regulation of Short-Term Natural Gas Transportation Services) and RM98-12-000 (Regulation of Interstate Natural Gas Transportation Services). Please answer the following:

- (a) State whether you agree or disagree with FERC's statement and, if you disagree, please explain why you disagree.
- (b) Has Piedmont ever created a "virtual pipeline" for itself through Piedmont's capacity release activities, whereby the virtual pipeline's source of capacity is Piedmont's released capacity from off-peak firm capacity contracted for Nashville Gas? Please explain your answer.

RESPONSE.

### **DISCOVERY REQUEST NO. 16**

Does Piedmont have an ownership interest in the GreenBriar Pipeline? If so, please state the percentage of ownership interest that Piedmont holds in GreenBriar Pipeline.

RESPONSE.

**DISCOVERY REQUEST NO. 17**

Please produce a copy of GreenBriar's business plan.

RESPONSE:

**DISCOVERY REQUEST NO. 18**

Does Piedmont consider its capacity release transactions as a way for Piedmont to compete with pipelines in the interstate natural gas transportation market? Please explain your answer

RESPONSE:

**DISCOVERY REQUEST NO. 19**

Does Piedmont consider capacity release transactions carried out by its asset manager as a way for Piedmont to compete with pipelines in the interstate natural gas transportation market? Please explain your answer.

RESPONSE:

**DISCOVERY REQUEST NO. 20**

Does Piedmont consider its asset manager a "replacement shipper," where the term "replacement shipper" has the same meaning as used by FERC's Order No. 637 and later orders implementing Order No. 637? See Order No. 637 Final Rule at p. 134 issued on February 9, 2000 in FERC Docket Nos. RM98-10-000 (Regulation of Short-Term Natural Gas Transportation Services) and RM98-12-000 (Regulation of Interstate Natural Gas Transportation

Services). Please explain your answer.

RESPONSE.

**DISCOVERY REQUEST NO. 21**

In FERC dockets PL03-3-000 (Price Discovery in Natural Gas and Electric Markets) and AD03-7-000 (Natural Gas Price Formation), Piedmont responded to a FERC inquiry by telling FERC on March 26, 2004 that "absent the safe harbor provision, it would have been difficult (or even unacceptable) for Piedmont to place itself and its employees engaged in reporting transactional information [to index developers] at the risk of sanctions, fines and other repercussions for inadvertent conveyance of incomplete or technically mistaken information." See Piedmont Natural Gas Company, Inc's Response to FERC Staff Request for Comments at p. 2 filed on March 26, 2004 in FERC Docket Nos. PL03-3-000 (Price Discovery in Natural Gas and Electric Markets) and AD03-7-000 (Natural Gas Price Formation). Why does Piedmont report transactions to index developers when all transactions are carried out by the asset manager, as Piedmont claims? Please explain your answer.

RESPONSE:

**DISCOVERY REQUEST NO. 22**

In FERC dockets PL03-3-000 and AD03-7-000, Piedmont responded to a FERC inquiry by telling FERC on March 26, 2004 that "Piedmont engages in off-system sales and hedging activity to .... minimize the cost paid by customers." See Piedmont Natural Gas Company, Inc's Response to FERC Staff Request for Comments at p. 1 filed on March 26, 2004 in FERC Docket



Nos. PL03-3-000 (Price Discovery in Natural Gas and Electric Markets) and AD03-7-000 (Natural Gas Price Formation). Explain how Piedmont minimizes costs for its customers while Piedmont is "unaware of the actual source or cost of" gas supply from the asset manager, as Piedmont stated in response to Discovery Request No. 9 of the Consumer Advocate's First Set of Discovery Requests.

RESPONSE:

**DISCOVERY REQUEST NO. 23**

Does Piedmont consider its asset manager a least-cost supplier of gas? Please explain your answer.

RESPONSE:

**DISCOVERY REQUEST NO. 24**

In response to Discovery Request No. 1 of the Consumer Advocate's First Set of Discovery Requests, Nashville Gas Company objected to the scope of the discovery request and stated that it has not yet determined whether to call any "independent expert witnesses." The Consumer Advocate propounds the following question:

Please identify each person whom you expect to call as an expert witness at any hearing in this docket -- regardless of whether such expert witness is hired as an "independent expert witness" or whether such expert witness is employed by Nashville Gas Company, Piedmont Natural Gas Company, or any other company -- and for each such expert witness:

- (a) State the subject matter on which the expert witness is expected to testify;

- (b) State the substance of the facts and opinions to which the expert witness is expected to testify;
- (c) Provide the grounds (including any factual bases) for each opinion to which the expert witness is expected to testify;
- (d) Provide complete background information, including the expert's current employer as well as his or her educational, professional and employment history, and qualifications within the field in which the witness is expected to testify, and identify all publications written or presentations presented in whole or in part by the witness;
- (e) Identify any matter in which the expert has testified (through deposition or otherwise) by specifying the name, docket number and forum of each case, the dates of the prior testimony and the subject of the prior testimony, and identify the transcripts of any such testimony;
- (f) Identify the terms of the retention or engagement of each expert including but not limited to the terms of any retention or engagement letters or agreements relating to his/her engagement, testimony, and opinions as well as the compensation to be paid for the testimony and opinions, and
- (g) Identify any exhibits to be used as a summary of or support for the testimony or opinions provided by the expert.
- (h) Produce a copy of all documents (defined above) relied upon by the expert witness for the facts and opinions to which the expert witness is expected to testify;

If Nashville Gas objects to a particular subsection(s) of this interrogatory but not to other subsections, please provide a complete answer for each subsection for which there is no objection. If Nashville Gas objects to any subsection(s) of this interrogatory pursuant to the Tennessee Rules of Civil Procedure or any other rule of law, please state in detail the factual and legal bases for each such objection.

RESPONSE:

### **DISCOVERY REQUEST NO. 25**

In response to Discovery Request No. 10 of the Consumer Advocate's First Set of Discovery Requests, Nashville Gas Company objected to the discovery request on the ground that the interrogatory was overbroad, unduly burdensome and seeks discovery of privileged information. The Consumer Advocate propounds the following question:

Please state all facts that Nashville Gas Company will rely upon to support any contention that asset management fees are properly included in the performance incentive plan

RESPONSE:

### **DISCOVERY REQUEST NO. 26**

If your response to any Request for Admission propounded in this docket is other than an unqualified admission, state for each such Request for Admission the following

- (a) all facts that you contend support in any manner your refusal to admit or your qualification of your admission,
- (b) the name and address of all persons, including, but not limited to, consultants purporting to have any knowledge or factual data upon which you base your refusal to admit or your qualification of your admission;
- (c) the identity of all documents, or any tangible or intangible thing, that supports in any manner your lack of admission or your qualification of your admission;
- (d) the name and address of the custodian of all documents and tangible things identified in response to subsection (c); and
- (e) the correct information for any Request for Admission that you contend is incorrect or inaccurate.

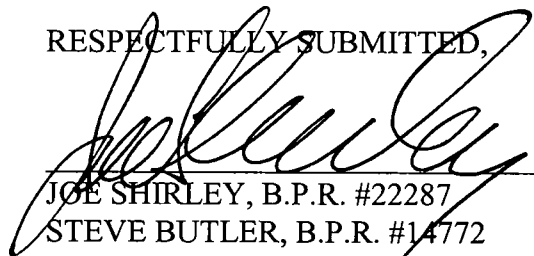
RESPONSE:

**DISCOVERY REQUEST NO. 27**

If you fail to admit or deny any Request for Admission propounded in this docket based on your asserted lack of information or knowledge, for each such Request for Admission describe your efforts toward satisfying the reasonable inquiry requirement of Rule 36 of the Tennessee Rules of Civil Procedure.

RESPONSE:

RESPECTFULLY SUBMITTED,



JOE SHIRLEY, B.P.R. #22287  
STEVE BUTLER, B.P.R. #14772  
Assistant Attorneys General  
Office of the Attorney General  
Consumer Advocate and Protection Division  
P.O. Box 20207  
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Dated: January 3, 2006

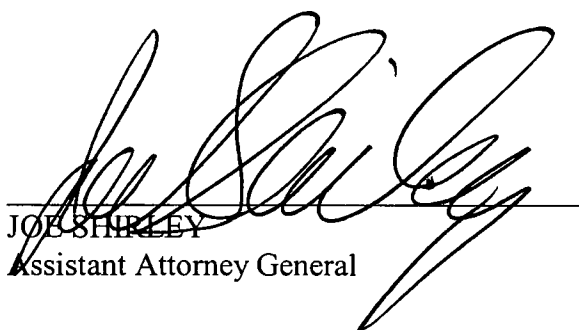
**CERTIFICATE OF SERVICE**

I hereby certify that a true and exact copy of the foregoing has been served via hand delivery or first-class U S. mail, postage prepaid, on this 3rd day of January 2006, upon:

James H. Jeffries IV, Esq.  
Moore & Van Allen  
100 North Tryon Street, Suite 4700  
Charlotte, North Carolina 28202-4003

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JOE SHIRLEY  
Assistant Attorney General

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